

Adam M. Starr  
Greenberg Traurig, LLP  
2450 Colorado Avenue, Suite 400E  
Santa Monica, California 90404  
Telephone: (310) 586-7700  
Facsimile: (310) 586-7800  
Email: [starra@gtlaw.com](mailto:starra@gtlaw.com)

Ronald D. Green  
Greenberg Traurig, LLP  
3773 Howard Hughes Parkway  
Suite 500 North  
Las Vegas, Nevada 89169  
Telephone: (702) 792-3773  
Facsimile: (702) 792-9002  
Email: [greenr@gtlaw.com](mailto:greenr@gtlaw.com)

Matthew T. Gensburg  
Nancy A. Peterman  
Sherri Morissette  
Greenberg Traurig, LLP  
77 West Wacker Drive  
Suite 2500  
Chicago, Illinois 60601  
Telephone: (312) 456-8400  
Facsimile: (312) 456-8435  
Email: [gensburgm@gtlaw.com](mailto:gensburgm@gtlaw.com)  
[petermann@gtlaw.com](mailto:petermann@gtlaw.com)  
[morissettes@gtlaw.com](mailto:morissettes@gtlaw.com)

Attorneys for Mesirow Financial Interim Management, LLC,  
the Debtors' Chief Restructuring Officer and Crisis Managers

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
USA COMMERCIAL MORTGAGE COMPANY,  
Debtor.

In re:  
USA CAPITAL REALTY ADVISORS, LLC,  
Debtor.

In re:  
USA CAPITAL DIVERSIFIED TRUST DEED  
FUND, LLC,  
Debtor.

Case No. BK-S-06-10725 LBR  
Case No. BK-S-06-10726 LBR  
Case No. BK-S-06-10727 LBR  
Case No. BK-S-06-10728 LBR  
Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under  
Case No. BK-S-06-10725 LBR

**DECLARATION OF JAMES C. ATKINSON  
IN SUPPORT OF APPLICATION FOR**

In re:  
USA CAPITAL FIRST TRUST DEED FUND, LLC,  
Debtor.

In re:  
USA SECURITIES, LLC,  
Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA First Trust Deed Fund, LLC

**ENTRY OF ORDER (I) FINALLY ALLOWING AND APPROVING ALL COMPENSATION AND EXPENSES INCURRED BY MESIROW FINANCIAL INTERIM MANAGEMENT, LLC IN ITS CAPACITY AS DEBTORS' CRISIS MANAGERS AND CHIEF RESTRUCTURING OFFICERS FOR THE PERIOD APRIL 13, 2006 THROUGH MARCH 12, 2007; (II) ALLOWING AND APPROVING A SUCCESS FEE; (III) AUTHORIZING APPLICATION OF THE RETAINER AGAINST THE ALLOWED FEES AND EXPENSES; AND (IV) AUTHORIZING PAYMENT OF THE BALANCE DUE**

I, James C. Atkinson, hereby declare, verify and state as follows:

1. I make this Declaration in support of the application (i) finally allowing and approving compensation in the amount of \$11,389,203.09 for 27,417.60 hours of services rendered and expenses incurred in the amount of \$1,117,168.74 by Mesirow Financial Interim Management (“**MFIM**”), in its capacity as the crisis managers and chief restructuring officer for USA Commercial Mortgage Company (“**USACM**”), USA Capital Realty Advisors, LLC (“**USA Realty**”), USA Capital Diversified Trust Deed Fund, LLC (“**DTDF**”), USA Capital First Trust Deed Fund, LLC (“**FTDF**”) and USA Securities, LLC (“**USA Securities**”, and collectively with USACM, USA Realty, DTDF and FTDF, the “**Debtors**”), debtors and debtors-in-possession in these chapter 11 cases (the “**Cases**”), for the time period beginning on April 13, 2006 and ending on March 12, 2007 (the “**Application Period**”); (ii) approving a success fee in the amount of \$2,500,000.00; (iii) authorizing application of the \$150,000 retainer against finally allowed fees and expenses; and (iv) authorizing payment of \$14,856,371.83 (after application of the Retainer and net of voluntary reductions totaling \$360,769.91) (the “**Final Application**”).

1           2.     I am a Senior Managing Director at MFIM. I have worked on the Debtors'  
2 Cases for the majority of MFIM's engagement and been responsible for the liquidation  
3 analyses produced by MFIM. Attached as **Exhibit B** to the Final Application is information  
4 regarding my qualifications and industry experience.

5           3.     Unless otherwise defined, any capitalized terms not defined herein have the  
6 meaning set forth in the Final Application. Except as otherwise indicated, all facts set forth in  
7 this Declaration are based upon my personal knowledge, my review of relevant documents, and  
8 my opinion based upon my experience and my knowledge of the Debtors' operations and  
9 financial condition. If I were called upon to testify, I could and would testify competently to  
10 the facts set forth herein.

11           4.     In connection with the Plan and Disclosure Statement and in accordance with  
12 Section 1129(a)(7) of the Bankruptcy Code, MFIM prepared detailed liquidation analyses for  
13 each of the Debtors. In order to prepare the liquidation analyses, MFIM created a complex  
14 financial model based upon discussions with USACM personnel, review of various collateral and  
15 asset appraisals, and the input of MFIM's business judgment. MFIM revised and updated the  
16 liquidation analyses for all Disclosure Statements filed with the Court.

17           5.     For the valuation of the loan related assets (principal, interest, fees, etc.), MFIM  
18 valued each loan separately and allocated the estimated value among the Debtors and the Direct  
19 Lenders based on their respective ownership interests and the "waterfall" provisions, as provided  
20 by Debtors' counsel. Although MFIM used the Hilco appraisals as a baseline for the estimated  
21 recoveries on the loans it adjusted these valuations for 1) the current status of loan negotiations  
22 with borrowers, 2) more recent project information, 3) strength of loan guarantees, and 4) other  
23 information MFIM had gained through other work streams.  
24  
25  
26  
27  
28

1           6.       MFIM also investigated and valued the various properties that supported the  
2 equity interests pledged by Investment Partners to secure the \$58 million note to USACM and  
3 the 10-90 loan. Again, MFIM analysts used the Hilco appraisals as a baseline and adjusted them  
4 based on more recent and more detailed information.

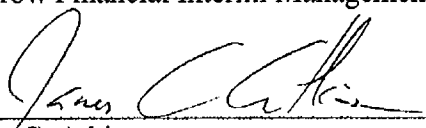
5           7.       MFIM also prepared detailed estimates of potential claims to be filed against  
6 each of the Debtors, including estimates of the various intercompany claims among the Debtors.  
7 This information was critical to the formulation and confirmation of the Plan.  
8

9           8.       In addition to fulfilling the requirements of section 1129 of the Bankruptcy Code,  
10 the financial model that supported the liquidation analyses had additional uses. For example, one  
11 of the main inputs into the 13 week cash flow model and reporting process was the cash receipts  
12 forecast that was based upon the liquidation analyses. MFIM also used the model to value and  
13 analyze the various bids received on the assets, including a comparison of the Stalking Horse Bid  
14 and the revised asset purchase agreement submitted by Compass. Furthermore, the financial  
15 model that supported the liquidation analyses became a repository of information that was an  
16 integral part of the loan collections and due diligence processes.  
17

18           9.       MFIM's efforts in this regard benefited the Debtors by providing an assessment of  
19 the potential recoveries in the liquidation of the Debtors. This assessment was useful for  
20 comparison with other alternatives, including the ultimate sale of certain assets to Compass. The  
21 liquidation analyses were also required as part of the Disclosure Statement.  
22  
23  
24  
25  
26  
27  
28

1  
2 I declare, under penalty of perjury, that, to the best of my knowledge, information and  
3 belief, that the foregoing is true and correct.

4 Mesirow Financial Interim Management, LLC

5  
6 By   
7 James C. Atkinson  
8 Senior Managing Director  
9 Mesirow Financial Interim Management, LLC  
10 666 Third Avenue, 21<sup>st</sup> Floor  
11 New York, NY 10017  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28